

**Managed Risk Medical Insurance Board  
December 14, 2005**

Board Members Present: Cliff Allenby, Areta Crowell, Ph.D., Richard Figueroa

Ex Officio Members Present: Jack Campana, Ed Heidig, David Topp

Staff Present: Lesley Cummings, Denise Arend, Laura Rosenthal, Vallita Lewis, Janette Lopez, Tom Williams, Dennis Gilliam, Ernesto Sanchez, Sarah Soto-Taylor, Carolyn Tagupa, Angela Foreman, JoAnne French

Chairman Allenby called the meeting to order and recessed it for executive session. At the conclusion of executive session, the meeting was reconvened.

**REVIEW AND APPROVAL OF MINUTES OF SEPTEMBER 28, 2005, MEETING**

A motion was made and unanimously passed to approve the minutes of the September 28, 2005, meeting.

**STATE LEGISLATIVE UPDATE**

**End of Session Report**

Laura Rosenthal highlighted the status of the some of the legislation staff tracked which impact MRMIB's programs during the legislative session that ended September 9. She noted which bills were vetoed or signed by the Governor, and which two-year bills staff will continue to monitor.

**Tobacco Tax, Disease Prevention and Children's Health Insurance Initiative**

Lesley Cummings noted that staff had provided the Board with a copy of an initiative filed with the Attorney General that increases the tobacco tax by \$1.50 per pack to, among other things, expand health coverage for children. A new initiative has just been filed with the Attorney General by the same sponsors (plus additional sponsors) that would supersede the one provided to the Board. This initiative would raise the tobacco tax by \$2.60 per pack and spend the revenue on various purposes, including expansion of health coverage for children. The section concerning children's health coverage is virtually identical in both initiatives and the amount available for children's health is reportedly the

same -- \$450 million per year. Ms. Cummings presented a document describing the provisions associated with the children's health section. She noted that the initiative's provisions were quite similar to those contained in AB 772 (Chan) which had been vetoed by the Governor. A major difference between the initiative and the legislation, however, is that in AB 772 children made newly eligible for coverage would go into Medi-Cal or HFP, depending on family income. Under the initiative, these children would all go into HFP. Apparently, the initiative's drafters made this change because HFP is not an entitlement program. However, language in the initiative might be construed as creating an entitlement for the newly eligible children. The advocates' view is that provisions regarding simplification and streamlining of the application process are not proscriptive and provide for an opportunity to work out details in legislation. This is not necessarily a view staff share though. For example, the initiative clearly would require self-certification of income and specifies that a family must experience the programs as one single program.

Chairman Allenby commented that the tax increase could further reduce consumption of cigarettes, thereby reducing tobacco tax revenue which supports other programs. Mr. Topp said there is a provision in the initiative to make up for the possible erosion of Prop 10 funds. Dr. Crowell expressed her appreciation for Ms. Cummings' taking into account the advocates' views. Ms. Cummings said she would like to have had more communication with the advocates about the initiative's contents.

## **FEDERAL LEGISLATIVE UPDATE**

Ms. Rosenthal reported that federal legislation extending funding for state high risk pools such as MRMIP is included in the budget reconciliation package that is in conference as opposed to previous separate legislation. Staff believes that language has been included that would allow MRMIP to qualify, and will follow up to verify.

## **HEALTHY FAMILIES PROGRAM (HFP) UPDATE**

### **Enrollment and Single Point of Entry (SPE) Reports**

Sarah Soto-Taylor reported that there are 743,412 children enrolled in HFP as of December 9, 2005. She reviewed enrollment data for the month of October.

### **Administrative Vendor Performance Report**

Ms. Soto-Taylor said the administrative vendor (AV) performance report has been changed slightly to reflect the additional efforts being made to process incomplete applications. Maximus is the AV for HFP and SPE. Performance measures are contained in the AV's contract. For the months of September and

October, Maximus met all seven performance standards for HFP and all four performance standards for SPE.

Janette Lopez gave an update on the effects on enrollment of the premium increase for families with incomes between 200-250% that began on July 1, 2005. She presented data to the Board identifying the disenrollment rate resulting from failure to pay premiums for the 200-250% income group for June -- the month before the change took place -- through October. While there did appear to be a higher than average rate in August -- 37% (the month when the biggest impact would be expected given the timing of disenrollments) by October, the rate was quite close to what it had been in June (31% compared to 28%). Staff will continue to track the rate through December and make a final report in March. Dr. Crowell asked how many subscribers this percentage represented. The 31% represents 932 children, and the 28% represents 1,554 children. Mr. Topp asked if the rate in June was typical of the rate prior to the change. Ms. Lopez replied that that staff had only compiled the data for June.

### **Appeals Workload Status**

Ms. Lopez requested deferral of this report until the January meeting, noting that she had not had sufficient time to prepare given her leave due to family illness.

### **Application Assistance Reimbursements**

Ernesto Sanchez presented a new report which details the amount of application assistance reimbursements paid to date, the number of enrollment entities (EEs) certified, and the tasks staff is continuing to undertake to strengthen the program. Mr. Campana commented that he has heard that it is taking a long time to get the online CAA training. Mr. Sanchez suggested that Mr. Campana refer those with the complaint to him and indicated that there are no barriers preventing access to the on-line training. It does take some time for a new EE to qualify and it is taking longer than previously to pay for application assistance, but there should be no problems with access to on-line training. Checks for July, when the program first got reinstated, were not issued until September. Ms. Cummings added that MRMIB had to use a new process to make payments to conform to existing law. This process involves review of five different agencies before checks are issued. Chairman Allenby commented that this takes the need for internal control too far and requested staff find a better method. Ms. Cummings said MRMIB would need an exemption from the statute to accomplish this -- an exemption that she would welcome.

### **Community Provider Plan Designation Process Update**

Carolyn Tagupa explained that the community provider plan designation process is the annual competition between health plans to encourage traditional and safety net (T&SN) participation in HFP. She gave an overview of the process. A

binder containing all of the preliminary T&SN lists and the timeframe for the process was made available for review at the meeting. The final T&SN lists will be available by the end of the week on MRMIB's website at [www.MRMIB.ca.gov](http://www.MRMIB.ca.gov) and the CPPs for 2006-07 will be announced at the March Board meeting.

Ms. Tagupa reported there were some appeals filed requesting the removal of outpatient hospital-based clinics. HFP regulations presently require that these types of clinics be included. However, staff will review the issue to determine if the regulations should be changed to exclude these clinics next year.

Chairman Allenby asked if the appeals were requesting a modification by quantity. Ms. Tagupa replied that they were requesting a modification by type because providers felt including this type of clinic dilutes the score. Dr. Crowell expressed concern about eliminating clinics based on classification, opining that there were some circumstances (such as the outpatient clinic at Big County) where it could be appropriate to include the clinic. Ms. Cummings responded that any proposed changes would be brought to the Board as a regulatory change and that she understood Dr. Crowell's concern. She added that the CPP process is quite complex now, however, and tailoring the process further would make a complex task even more complicated.

### **Report on Institute of Medicine's "Crossing the Quality Chasm in Behavioral Health: Improving the Quality of Health Care for Mental and Substance-Use Conditions"**

Dr. Crowell advised the Board of a recent Institute of Medicine's (IOM) report on improving the quality of behavioral health care. The report builds on a prior IOM report on quality of physical health care and makes the important point that the quality problems in health care will not be solved until the quality issues in mental health and substance abuse care are also addressed. Primary physicians need to see behavioral health as a part of, rather than separate from, regular health issues.

Dr. Crowell continued to highlight some of the report's key findings, pointing out that the report's emphasis on early identification and intervention corresponds neatly with the provisions of Proposition 63. The Board has been on record as working toward the goal of aligning mental health with regular health issues. While a review of HFP children's use of county provided SED services is underway—and will be followed by a review of plan-provided mental health and substance abuse services, more needs to be done to integrate the systems. Particularly important are how children with mental health needs are identified, what screening tools primary care physicians can use, how children are serviced at the county level. She requested the Board take action to incorporate some of the features the report discusses, such as tracking how children get identified and served at the county level, utilizing health status assessments like PedsQL and the annual eligibility review as a means of ensuring needs are being served,

facilitating the plans' ability to provide services, and increasing funding at the county level for SED and related services. She stressed that the IOM goal of early intervention for children in particular has positive outcomes in general health, school attendance, prevention of juvenile delinquency, etc., and corresponds with the goals of Proposition 63. It is important to initiate an active discussion with the Department of Mental Health on how we can collaborate to maximize resources. Proposition 63 provides a wonderful opportunity for counties to increase coordination with plans and test screening tools.

Mr. Campana said he was very supportive of the idea. He had recently had a meeting with a number of counties receiving federal mental health funds and knows that there is a great need in the schools for mental health treatment. One school had looked at the incidence of DMS diagnosis among students that were expelled and found a very high association. There is a great need for coordination between counties, schools and health plans to address student's mental health needs.

Dr. Crowell made a motion which was unanimously passed that Chairman Allenby and staff meet with the chair of the Proposition 63 oversight committee and the director of DMH to discuss how to align the HFP with Proposition 63 and the IOM findings.

### **AB 495 (Diaz) Update**

Mr. Sanchez provided a brief background of this legislation which establishes a framework for counties to draw on federal funds to implement AB 495. The Packard Foundation provided a grant to hire staff at MRMIB to start the program. Staff has drafted the SPA and model contract, and has been diligently working with counties who have applied for the program. To date, the Centers for Medicare and Medicaid Services (CMS) has approved the counties of Alameda, San Francisco, San Mateo, and Santa Clara. Mr. Sanchez provided the status of pending applications for the counties of Santa Cruz, Tulare, Solano, and Orange.

### **HEALTHY KIDS BUY-IN UPDATE**

Mr. Sanchez reviewed modifications to the timeline since the last meeting, pointing out that some of the original deadlines had to be moved back due to unforeseen issues, notably the issue of a carve-out for CCS services.

Ms. Cummings added that there is a low probability of making the July 1, 2006, deadline given these delays. Chairman Allenby told staff to do the best they can.

## **ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE**

### **Enrollment Report**

Ms. Soto-Taylor reported that as of at the end of October there were 6,544 women and 7,674 infants enrolled in the program. She reviewed the enrollment data, including infant gender percentage, ethnicity, and the counties and health plans with the highest percentage of enrollment.

### **Quarterly Fiscal Report**

Tom Williams said there is no written report at this time given that CMS has not yet approved California's state plan amendment to use federal SCHIP to finance AIM. Staff estimates there are sufficient funds to pay the plans through November (with a final payment date of mid-January 2006) and is working with the Department of Finance to secure a General Fund loan to finance AIM until federal funds are available. Mr. Figueroa asked about staff's progress in working with CMS to obtain approval of the SPA. Ms. Cummings replied that CMS had sent a second stop-the-clock letter which staff is in the process of responding to. Mr. Figueroa asked if CMS' questions were technical or philosophical. Ms. Cummings replied that she thought the issues could be worked through.

## **MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE**

### **Enrollment Report**

Ms. Soto-Taylor reported that as of November 1 there were 8,729 people enrolled in the program, with 76 people on the waiting list, 60 of which are serving the post-enrollment waiting period. The total number of disenrollments to date pursuant to AB 1401 was 11,698.

### **Quarterly Fiscal Report**

Mr. Williams reported that as of September 30, there were total assets of 37,184,491, total liabilities of 16,164,762, and a fund balance of 21,019,729. For the fiscal quarter ending September 30 there was a net change in the fund balance of (6,796,064).

### **Semi-Annual Enrollment Estimate**

Denise Arend reported that the November estimate performed by Price-waterhouseCoopers indicates funds are available for 10,227 slots. This reflects an increase from April's estimate of approximately 1200 slots. The Board was very pleased with the increase.

## **APPROVAL OF CONTRACTS**

### **Pacific Solutions Group for HIPAA Encryption Software Installation**

A motion was made and unanimously passed approving the resolution authorizing an agreement with Pacific Solutions Group for the purpose of providing custom security and encryption capability services.

### **The Results Group for Organizational Development Consultation**

A motion was made and unanimously passed approving the resolution authorizing an agreement with The Results Group for the purpose of providing leadership development services and quality improvement development for the MRMIP, AIM, and HFP.

There being no further business to come before the Board, the meeting was adjourned.